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OF A SUCCESSOR AGREEMENT TO THE INTERNATIONAL
TROPICAL TIMBER AGREEMENT, 1983
Fourth part
Geneva, 10 January 1994
Agenda item 8

PREPARATION OF A SUCCESSOR AGREEMENT TO THE INTERNATIONAL TROPICAL TIMBER AGREEMENT, 1983

Summaries of statements made after the adoption of the Agreement at the closing plenary meeting of the Conference, on 26 January 1994

GE.94-51171

1. At its 14th (closing) plenary meeting, on 26 January 1994, the Conference established the text of the International Tropical Timber Agreement, 1994, and adopted a final resolution. After the adoption of the Agreement, the following delegations made statements: European Union, Austria, China, United States of America, Canada, Switzerland, Brazil, Cameroon. Summaries are reproduced below.

2. The spokesman for the **European Union** said that the European Union was unable to associate itself with the draft text of the International Tropical Timber Agreement, 1994 as there were important questions concerning the text that needed to be addressed before the European Union could establish its future position.

3. The representative of **Austria** said that his delegation had serious reservations of substance concerning the draft agreement as contained in TD/TIMBER.2/CRP.7. In the view of his delegation, the draft agreement as set forth in TD/TIMBER.2/L.9 still contained a number of points of substance which were very difficult for his country to accept. He emphasized that the draft agreement would require further scrutiny in order to determine Austria's final position on the new agreement.

4. The representative of **China** stated that the text of the successor Agreement to the International Tropical Timber Agreement, 1983, had a few merits. It failed, however, to reflect the fundamental interests of all the relevant countries in a fair, equitable and balanced manner. The Statement of Principles adopted at the UNCED Conference in Rio made it clear that, to ensure the sustainable development of forest resources, "new and additional financial resources should be provided to developing countries to enable them to sustainably manage, conserve and develop their forests". As a developing country which had tropical forests and some tropical timber products for export, China should not be excluded from the benefit of the fund to be established under the new Agreement for sustainable management of members' tropical forests and no discriminatory treatment should be accorded to China in this regard. In the utilization and allocation of the resources of the fund in the implementation of the Agreement, China would respect the provisions of the Agreement relating to the size of the tropical forests and would take into full account the interests of other members of the Agreement, particularly those of the producers. As a developing country, however, it should not be deprived of its legitimate rights under any international commodity agreement once committed to the obligations as set out therein. The representative of China further pointed out that this position of China had been expressed more than once during the course of negotiations. Regrettably, however, it had not been fully understood and positively considered by some delegations to the Conference. The new Agreement failed to follow the important principle of universal benefit to developing countries in international economic cooperation. Moreover, the Chinese delegation also failed to see any appropriate legal status of the document from which the so-called "commitment" of "all members" was quoted and the legally binding character of such a "commitment". Therefore the delegation of China could only state its reservation over the text of the new Agreement.

5. The representative of the **United States of America** said that the successful renegotiation of the Agreement had been of high priority to the United States delegation because it believed that the International Tropical Timber Agreement had played a useful role in promoting sustainable management of tropical timber

for international trade. The United States believed that the new elements of the International Tropical Timber Agreement, 1994, gave improved benefits to both consumers and producers. The United States was particularly pleased with the inclusion in the new Agreement of the commitment made in Bali, Indonesia, whereby exports of tropical timber should come from sustainably managed sources by the year 2000. He also welcomed the creation of the Bali Partnership Fund, which would contribute to the development of tropical-timber-producing countries' capacity to achieve sustainable management of their forestry resources. The United States would continue to support efforts to promote access to and transfer of technology and technical cooperation as well as intellectual property on mutually agreed terms, as recommended in the new Agreement. Successful technology transfer depended on freely negotiated terms and recognition of the need for adequate and effective protection of intellectual property rights. Article 36 of the new Agreement successfully addressed the problems of members concerning trade discrimination by making clear that the provisions of the International Tropical Timber Agreement, 1994 would not provide a justification for discriminatory trade measures in international tropical timber trade.

6. The representative of **Canada** stated that one of Canada's principal aims during the current negotiations had been to ensure the development of equitable and appropriate guidelines and criteria for all timber-producing countries. The new Agreement contributed towards achieving these aims through a common commitment to sustainability that was reflected in the new Bali Partnership Fund. This Fund enhanced the capacity of developing countries to attain the objectives of the Agreement with regard to sustainable forest management. He was pleased to note that the text of the new Agreement did not provide a basis for countries to use the Agreement as a justification for trade discrimination. He also noted that, as an expression of the partnership which formed the basis of this Agreement, the consumer countries had put forward a statement regarding the sustainable management of their temperate and boreal forests. He pointed out that Canada was one of the world's largest exporters of timber products, and that the Government of Canada's commitment to sustainable forest management by the year 2000 was substantive in that it enjoyed the full support of Canada's provinces and was based on Canada's National Forest Strategy. Canada believed that the new Agreement should provide the basis on which to continue ongoing dialogue towards a global consensus on all values of all types of forests.

7. The representative of **Switzerland** stated that the 1994 Agreement was an important instrument, providing a necessary forum for dialogue and cooperation among producing and consuming countries to which Switzerland was always committed. The Agreement was the result of a compromise which, by definition, could not fully satisfy all parties. Nevertheless, it represented a step in the right direction, serving as a necessary link in a chain leading to the sustainable management of all forests. She welcomed the confirmation of the Target Year 2000 Commitment and reaffirmed Switzerland's readiness to provide additional financial resources to countries implementing sustainable management of forest resources.

8. The representative of **Brazil** regretted that it had not been possible to expand the scope of the Agreement to include all types of timber in the international market, as this would ensure a proper balance between the rights and obligations applicable to all timber-producing countries. He noted the

statement of consuming countries reflecting their engagement in the implementation of the commitments which had been undertaken in the context of UNCED. Brazil hoped that the establishment of the Bali Partnership Fund might assist producing members to make the necessary investments to implement a strategy for achieving exports of tropical timber from sustainable sources by the year 2000, on the understanding that this Fund would provide new and additional unearmarked financial resources to enable producing members to meet the agreed full incremental costs to them of implementing such a strategy. Moreover, he stressed that the International Tropical Timber Council should assess the availability of resources in the Fund, taking into account the need for adequacy, predictability and timely flow of funds and the importance of burden-sharing among donors. He added that the ability of producing countries to achieve exports from sustainable sources would depend on effective implementation of donor's commitments relating to financial resources and transfer of technology, taking into account the need for sustainable development of their economies. Finally, he stated that Brazil interpreted article 36 as referring to imports and utilization of timber in consuming countries.

9. The representative of **Cameroon** expressed his pleasure at the successful conclusion of the Agreement even though some minor points had not been resolved. Cameroon's reservations were the same as those expressed by other countries. Nevertheless, Cameroon would try to respect the Agreement.